

STATE OF IOWA  
PROPERTY ASSESSMENT APPEAL BOARD

**Paula Walzer,**  
Appellant,

**v.**

**Polk County Board of Review,**  
Appellee.

**ORDER**

**Docket No. 13-77-0819**

**Parcel No. 280/00017-005-000**

On December 30, 2013, the above-captioned appeal came on for consideration before the Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2) and Iowa Administrative Code rules 701-71.21(1) et al. The Appellant Paula Walzer was self-represented. Assistant Polk County Attorneys Ralph Marasco, Jr. and David Hibbard represent the Board of Review. The Appeal Board, having reviewed the record and being fully advised, finds:

***Findings of Fact***

Verla M. Haynes and Harlan Holmes Trust are the owners of a residentially classified property located at 16070 NW 72nd Street, Madrid, Iowa. Paula Walzer is the Trustee of Harlan Holmes Trust. The property is a one-and-a-half story home built in 1898 with 1127 square feet of total living area. The property has a 280 square-foot, unfinished basement, an enclosed porch, six outbuildings built between 1930 and 1950, and an 875-square-foot detached garage built in 1996. The site is 2.59 acres.

Walzer protested to the Board of Review regarding the 2013 assessment of \$146,400, allocated as \$60,300 in land value and \$86,100 in improvement value. She claimed the property was assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), and asserted the correct total value was \$55,000. The Board of Review reduced the assessment to \$97,200, by lowering the improvement value to \$36,900.

Walzer then appealed to this Board reasserting her claim.

Walzer submitted an appraisal by Edgar Christian of Rally Appraisal, LLC, West Des Moines, Iowa. It was completed for estate valuation purposes, and Christian opined a fair market value of \$55,000 for the subject property as of May 22, 2012. He relied solely on the sales comparison approach. Christian determined the neighborhood boundaries included portions of Polk, Boone, and Story counties and selected three sales, all located northwest of the subject property, from similar rural settings. The sales occurred between October 2011 and May 2012, and Christian noted that sales data was limited due to the rural location of the subject property. Christian stated the property has had some updating but also that it has issues with settlement, a roof in fair condition, and a dated décor. Overall, Christian considered the property to be average to fair condition for comparison to similar properties. After adjustments to the sales for differences, the values ranged from \$54,165 to \$63,300. Christian gave the most reliance to Sale #1 in Madrid because it was the most proximate to the subject.

Walzer provided a three-page summary of her opinion of the condition of the subject improvements. Generally, she asserts that while some cosmetic updating has been done in recent years, overall the subject property is in poor condition and has numerous structural issues. She claims the property has no insulation; the foundation is crumbling; the heating system is antiquated; the wiring is original knob and tube; the roof is in poor condition with multiple layers of shingles and likely multiple sheets of plywood; and the site has two abandoned wells, which will eventually require removal or capping. Walzer also provided thirty color photographs of the subject property to show its condition. Based on the appraisal, the Walzer's written testimony and the photographs, we agree the improvements are in below normal condition.

The Polk County Board of Review relied on an Appraiser Analysis completed by Appraiser O'Connell. O'Connell dismisses Christian's appraisal because the "comps are not in Polk County." O'Connell recommended changing the condition rating of the subject from normal to below normal, and also recommended a reduction in value to \$97,200 based on a market analysis. We note, it appears

O'Connell relied on the sale of one property located at 9700 NW 158th Street. This property sold for \$175,000 in November 2012. After adjustments for differences, the property had an adjusted value of \$124,789.

O'Connell also developed the cost approach, which resulted in an opinion of \$97,200.

### ***Conclusion of Law***

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. This Board is an agency and the provisions of the Administrative Procedure Act apply. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review, but considers only those grounds presented to or considered by the Board of Review. §§ 441.37A(3)(a); 441.37A(1)(b). New or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct. § 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin Cnty. Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

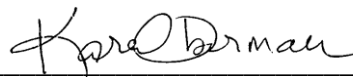
In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. § 441.21(1)(b). If sales are not available to determine market value then "other factors," such as income and/or cost, may be considered. § 441.21(2). The property's assessed value shall be one hundred percent of its actual value.

§ 441.21(1)(a).

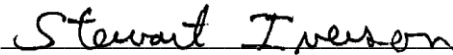
In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). Walzer submitted an appraisal of the subject property completed by Edgar Christian. Christian's appraisal considered three sales of similarly situated rural properties within ten to twenty miles of the subject property. Although the Board of Review was critical of Christians' comparable properties because they were not located in Polk County, we find that criticism misplaced. The Iowa Supreme Court has determined that "comparable sales do not need to be 'within the assessor's geographical area.'" *Compiano v.* , 771 N.W.2d 392, 398 (Iowa 2009) (quoting *Carlton Co. v. Bd. of Review*, 572 N.W.2d 146, 150 (Iowa 1997)). Although Christian's appraisal has an effective date of May 2012, he explained the subject is in a rural area with few sales available for analysis. Further, the one sale offered by the Board of Review is superior in condition and age. We, therefore, find Christian's appraisal to be the best evidence in the record of the subject's properties market value as of January 1, 2013.

THE APPEAL BOARD ORDERS the assessment of the property located at 16070 NW 72nd Street, Madrid, Iowa, with a parcel number of 280/00017-005-000, is modified to a total value of \$55,000, as of January 1, 2013. The Secretary of the Property Assessment Appeal Board shall mail a copy of this Order to the Polk County Auditor and all tax records, assessment books and other records pertaining to the assessments referenced herein on the subject parcels shall be corrected accordingly.

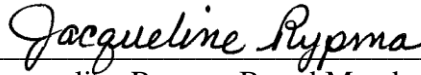
Dated this 30th day of January, 2014.



Karen Oberman, Presiding Officer



Stewart Iverson, Board Chair



Jacqueline Rypma, Board Member

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